



1407935022

Doc#: 1407935022 Fee: \$118.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 03/20/2014 09:43 AM Pg: 1 of 41

8936 93 702-8K 3

Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

Property of Cook County Clerk's Office

The property identified as: PIN: 17-04-429-013-0000

Address:

Street: 920 North Franklin Street

Street line 2:

City: Chicago

State: IL

ZIP Code: 60610

Lender: Schaumburg Bank and Trust Company, N.A.

Borrower: SALF 920, LLC

Loan / Mortgage Amount: \$3,475,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77.70 et seq. because it is commercial property.

Box 400-CTCC

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D

Certificate number: EC54AAC4-143A-4C84-8121-8AFCF60C4A30

Execution date: 02/24/2014

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THIS DOCUMENT PREPARED BY
AND UPON RECORDING IS TO
BE RETURNED TO:

DONALD A. ROBINSON
ROBINSON SHAPIRO &
SCHWARTZ, LLC
208 SOUTH LaSALLE STREET
SUITE 1750
CHICAGO, ILLINOIS 60604

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (as amended, modified, renewed and/or replaced, this "**Mortgage**"), is made as of this 24th day of February, 2014, by SALF 920, LLC, an Illinois limited liability company, whose address is 311 W. Walton Street, Chicago, Illinois 60610 (hereinafter referred to as "**Mortgagor**"), in favor of Schaumburg Bank & Trust Company, N.A., whose address is c/o Elk Grove Village Bank & Trust, 1145 N. Arlington Heights Road, Itasca, Illinois 60143 (hereinafter referred to as the "**Mortgagee**").

WITNESSETH:

THAT, WHEREAS, Mortgagor is justly indebted to Mortgagee in the principal sum of THREE MILLION FOUR HUNDRED SEVENTY FIVE THOUSAND and No/100 Dollars (\$3,475,000.00) evidenced by that certain Promissory Note of Mortgagor dated of even date herewith (hereinafter, as it may be extended, amended, modified, renewed and/or replaced, referred to as the "**Note**"), made payable to the order of Mortgagee and delivered to Mortgagee in the form attached hereto as Exhibit B;

WHEREAS, this Mortgage is given to secure a loan in the amount of THREE MILLION FOUR HUNDRED SEVENTY FIVE THOUSAND and No/100 Dollars (\$3,475,000.00) (the "**Loan**") and secures not only the indebtedness from Mortgagor to Mortgagee existing on the date hereof but all such current and future advances, to the extent if any, provided for in the Loan Agreement of even date herewith entered into by and between Mortgagee and Mortgagor, whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise, which future advances are made after the date of this Mortgage to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made; the reimbursement to Mortgagee of any and all sums incurred, expended or advanced by Mortgagee pursuant to any term or provision of any Loan Document or constituting additional indebtedness under or secured by this Mortgage.

WHEREAS, the indebtedness secured by this Mortgage and the other Loan Documents including, but not limited to, the sums to be paid and the obligations to be performed by Mortgagor pursuant to the Swap Transaction at the times and upon the conditions more fully set forth in the Note. Notwithstanding the foregoing, the total amount of the indebtedness outstanding at any one time that may be secured by this Mortgage shall not exceed Twenty Five Million and No/100 Dollars (\$25,000,000.00); and

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WHEREAS, the Loan shall be disbursed and the rights and obligations of the parties to the transaction described herein shall be governed by the terms, provisions and limitations set forth in the Note, the Loan Agreement, this Mortgage and the other Loan Documents.

NOW, THEREFORE, Mortgagor, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and any other sums advanced by Mortgagee to protect the security of this Mortgage or discharge the obligations of Mortgagor hereunder, and the performance of the covenants and agreements herein contained and contained in the Note and in any other documents evidencing and/or securing the indebtedness evidenced by the Note (the Note, this Mortgage and such other documents being hereinafter referred to collectively as the "**Loan Documents**"), by Mortgagor to be performed, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, BARGAIN, SELL, WARRANT, CONVEY and RELEASE unto Mortgagee, its successors and assigns, the following-described real estate (hereinafter referred to as the ("**Land**") and all of its estate, right, title and interest therein, situate, lying and being in the County of Cook and State of Illinois, to-wit:

THE LAND MORTGAGED HEREBY IS DESCRIBED ON EXHIBIT A ATTACHED HERETO

which Land, with the property hereinafter described, is referred to herein collectively as the "**Mortgaged Premises.**"

TOGETHER with all easements, rights of way strips and gores of land, vaults, streets, alleys, water rights, mineral rights, and any other rights used in connection with and/or adjoining the Land or to provide a means of access to the Land, and all tenements, hereditaments and appurtenances thereof and thereto pertaining or belonging, and all underground and overhead passageways and licenses in connection therewith;

TOGETHER with all franchises, consents, licenses, approvals, permits, special permits, certificates of occupancy, warranties, guaranties and other rights and privileges relating to the use and occupancy of the Land and the improvements or any portion thereof located thereon, now or hereafter existing or entered into;

TOGETHER with all leasehold estates, right, title and interest of Mortgagor in any and all leases, subleases, management agreements, arrangements, concessions, or agreements, written or oral, relating to the use and occupancy of the Land and improvements or any portion thereof located thereon, now or hereafter existing or entered into;

TOGETHER with all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily);

TOGETHER with any and all buildings and improvements now or hereafter erected on the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements and all tangible personal property owned by Mortgagor now or any time hereafter located on or at the Land or used in connection therewith, including, but not limited to, all goods, machinery, tools, equipment (including fire sprinklers and alarm systems,

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freezing, air conditioning, heating, boilers, refrigerating, electronic monitoring, water, lighting, power, sanitation, waste removal, laundry, incinerating, generating, engines, pumps, pipes, tanks, motors, conduits, switchboards, plumbing and plumbing fixtures, lifting, cleaning, fire prevention, refrigerating, ventilating, communications, furnaces, oil burners or unit, vacuum cleaning systems, elevators, escalators, entertainment, recreational, window or structural cleaning rigs, maintenance and all other equipment of every kind), lobby and all other indoor or outdoor furniture (including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets) furnishings, appliances, inventory, rugs, carpets and other floor coverings, shades, draperies, drapery rods and brackets, awnings, venetian blinds, screens, storm doors and windows, stoves, wall beds, refrigerators, cooking apparatus and mechanical equipment, gas and electrical fixtures, mantels, built in mirrors, attached cabinets, ducts and compressors, partitions, chandeliers and other lighting fixtures, and all other fixtures, apparatus, equipment, furniture, furnishings, and materials intended for the construction, reconstruction, alteration and repair of such improvements now or hereafter located thereon, all of which shall be deemed to be included within the Mortgaged Premises immediately upon delivery to the Mortgaged Premises; all construction, architectural and engineering contracts, subcontracts and other agreements now or hereafter entered into by Mortgagor and pertaining to the construction or remodeling of improvements on the Land, plans and specifications and other tests or studies now or hereafter prepared in contemplation of constructing or remodeling improvements on the Land, it being understood that the enumeration of any specific articles of property shall in nowise result in or be held to exclude any items of property not specifically mentioned;

TOGETHER with all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereinafter acquire in the Mortgaged Premises, and any and all awards made for the taking by eminent domain, or by any proceedings or purchase in lieu thereof, of the whole or any part of the Mortgaged Premises, including, without any limitation, any awards resulting from the change of grade of streets and awards for severance damages;

Including but not limited to any after acquired title and rights of reversion and/or remainder in any or all of the foregoing;

All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

Mortgagor covenants that it is lawfully seized of the Mortgaged Premises, that the same are unencumbered except for the title exceptions approved by Mortgagee in writing prior to the initial disbursement of the Loan, which title exceptions do not interfere with the security intended to be provided by this Mortgage, the current use of the Mortgaged Premises, or the current ability of the Mortgaged Premises to generate sufficient income to service the indebtedness, and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will warrant and forever defend the Mortgaged Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

TO HAVE AND TO HOLD the Mortgaged Premises unto Mortgagee, its successors and assigns forever, for the purposes and uses herein set forth; the Mortgagor hereby **RELEASING** and **WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Illinois.

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IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. **Representations and Covenants:** Mortgagor hereby represents and covenants to Mortgagee that:

(a) **Power, etc.:** Borrower: (i) is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois and has complied with all conditions prerequisite to its doing business in the State of Illinois; (ii) has the power and authority to own its properties and to carry on its business as now being conducted; (iii) is qualified to do business in every jurisdiction in which the nature of its business or its properties makes such qualification necessary; and (iv) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(b) **Validity of Loan Instruments:** (i) The execution, delivery and performance by Mortgagor of the Note, this Mortgage and all additional Loan Documents, and the borrowing evidenced by the Note: (A) are within the powers of Mortgagor; (B) have been duly authorized by all requisite actions; (C) have received all necessary governmental approval; and (D) do not violate any provision of any law, any order of any court or agency of government or any indenture, agreement or other instrument to which Mortgagor is a party, or by which it or any portion of the Mortgaged Premises is bound, or be in conflict with, result in breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever, upon any of its property or assets, except as contemplated by the provisions of this Mortgage and any additional Loan Documents; and (ii) the Note, this Mortgage and all additional Loan Documents, when executed and delivered by Mortgagor, will constitute the legal, valid and binding obligations of Mortgagor, and other obligors named therein, if any, in accordance with their respective terms.

2. **Mortgagee's Interest in and Use of Deposits:** Mortgagor covenants and agrees to deposit certain funds with Mortgagee for the use in the payment of property taxes and otherwise as provided in the Loan Agreement, provided, however, that upon the occurrence of an Event of Default, Mortgagee may at its option, without being required to do so, apply any monies at the time on deposit pursuant to this Mortgage on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid and all other obligations secured hereby have been satisfied, any remaining deposits shall be paid to Mortgagor. Such deposits are hereby pledged as additional security for the indebtedness and other obligations secured hereunder and shall be held in trust to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that neither Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested said depository in writing to make application of such funds to the payment of the particular taxes or assessments for payment of which they were deposited, accompanied by the bills for such taxes and assessments. All deposits made by or for the benefit of Mortgagee hereunder shall be held without allowance of interest and need not be kept separate and apart, but may be commingled with any funds then in control of Mortgagee.

3. **Insurance:** Mortgagor shall keep the Mortgaged Premises, including all buildings and improvements now or hereafter situated on the Land, insured and deliver certain policies of insurance as provided in the Loan Agreement and in connection therewith in the event of a foreclosure of this Mortgage, or in case of any transfer of title to the Mortgaged Premises in extinguishment of the debt

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secured hereby, all right, title and interest of Mortgagor to any insurance policy covering the Mortgaged Premises shall pass to Mortgagee or the transferee of the Mortgaged Premises.

4. Adjustment of Losses with Insurer and Application of Proceeds of Insurance:

(a) In case of loss, Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized to file, settle, adjust, collect and compromise in Mortgagee's discretion, any insurance claim. Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers, and releases required by such insurance companies. All insurance proceeds relating to any loss or casualty may, in Mortgagee's sole, absolute and unreviewable discretion, either (i) be applied in reduction of the indebtedness secured hereby and other obligations secured hereby, in payment of the then applicable Break Funding Payment, if any, second, in reduction of the indebtedness, and any excess held by it over the amount of the indebtedness shall be paid to Mortgagor or any party entitled thereto, without interest, as the same appear on the records of Mortgagee, whether due or not, or (ii) be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of the buildings or improvements on the Mortgaged Premises; provided, however, that if (A) no Event of Default has occurred and is continuing hereunder; and (B) Mortgagee has not elected to apply the proceeds of any insurance policy to the indebtedness secured hereby, and (C) the insurers do not deny liability as to the insureds, all insurance proceeds shall, after deducting therefrom any expenses incurred in the collection thereof, subject to the provisions of Subsections 4 (b) and 4 (c) hereof, be used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings and improvements on the Mortgaged Premises so as to be of at least equal value and substantially the same character as existed prior to such damage or destruction. Such deposits shall be held by Mortgagee without any allowance of interest and need not be kept separate and apart. In the event Mortgagee elects to apply said insurance proceeds in reduction of the indebtedness secured hereby, all expenses and fees of collection shall first be deducted and paid to Mortgagee, and it is further covenanted and agreed that should the net insurance proceeds be insufficient to pay the then existing indebtedness secured hereby, together with all accrued interest thereon, fees and charges, Mortgagee may, at its sole election, declare the entire unpaid balance of the debt secured hereby to be immediately due and payable, and the failure of the payment thereof shall be an Event of Default hereunder.

(b) In the event Mortgagee elects to permit any such insurance proceeds to be applied to pay for the cost of rebuilding or restoration of the buildings and improvements on the Mortgaged Premises as provided in Subsection 4(a) above, such funds will be made available for disbursement by Mortgagee; provided however, that (i) should any insurance company have, in the opinion of Mortgagee, a defense against Mortgagor (but not against Mortgagee) to any claim for payment due to damage or destruction of the Mortgaged Premises or any part thereof by reason of fire or other casualty submitted by Mortgagee or any party on behalf of Mortgagee, or should such company raise any defense against Mortgagor (but not against Mortgagee) to such payment, or (ii) should the net proceeds of such insurance collected by Mortgagee be less than the estimated cost of the requisite work as determined by Mortgagee, which estimate shall include a reasonable contingency, and Mortgagor fails to deposit with Mortgagee the amount of such deficiency within ten days (10) following notice thereof from Mortgagee, then Mortgagee may, at its option, whether or not Mortgagee has received funds from any insurance settlements, declare the unpaid balance of the debt secured hereby to be immediately due and payable, and Mortgagee may then treat the same as in the case of any other default hereunder. Such deposits shall be held by Mortgagee without any allowance of interest and need not be kept separate and apart. In the event such proceeds are applied toward restoration or rebuilding, the buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. In the event that the insurance proceeds exceed the amount necessary to complete the

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rebuilding or restoration of the buildings and improvements on the Mortgaged Premises, such excess shall be applied on account of the indebtedness and other obligations secured hereby, in payment of the then applicable Break Funding Payment, if any, second, in reduction of the indebtedness, and any excess held by it over the amount of the indebtedness shall be paid to Mortgagor or any party entitled thereto, without interest, as the same appear on the records of Mortgagee.

(c) In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the building or improvements, shall be applied in payment or reduction of the indebtedness secured hereby as provided in Subsection 4(b) above or in payment or reduction of the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same, or as the court may direct. In case of the foreclosure of this Mortgage, the court in its decree may provide that the mortgage clause attached to each of said insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then and in every such case, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

(d) Nothing contained in this Mortgage shall create any responsibility or obligation on Mortgagee to collect any amount owing on any insurance policy, to rebuild, repair or replace any damaged or destroyed portion of the Mortgaged Premises, including any improvements, or to perform any act hereunder.

(e) Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney with full power of substitution and with full power for Mortgagee in its own name and capacity or in the name and capacity of Mortgagor (which power of attorney shall be irrevocable so long as any portion of the indebtedness and other obligations secured hereby is outstanding, shall be deemed to be coupled with an interest, shall survive the voluntary or involuntary dissolution of Mortgagor and shall not be affected by any disability or incapacity suffered by Mortgagor subsequent to the date hereof) to execute any documents and endorse any checks on Mortgagor's behalf required to be executed or endorsed by Mortgagor pursuant to this Section 4 if Mortgagor does not execute such documents or endorse such checks within one (1) business day following demand therefor.

5. Method of Taxation:

(a) **Stamp Tax:** If, by the laws of the United States of America, or of any state, municipality or other governmental body having jurisdiction over Mortgagor or its property, any tax imposition or assessment is due or becomes due in respect of the issuance of the Note, this Mortgage or upon the interest of Mortgagee in the Mortgaged Premises, or any tax, assessment or imposition is imposed upon Mortgagee relating to the lien created hereunder, or any of the foregoing, Mortgagor covenants and agrees to pay such tax, levy, assessment or imposition in the manner required by any such law and the failure to so pay same shall constitute an Event of Default hereunder and at the option of Mortgagee all sums secured hereby shall in such event be due and payable, including but not limited to the Break Funding

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Payment (hereinafter referred to) to be and become due and payable sixty (60) days from the giving of such notice. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note.

(b) **Change in Method of Taxation:** In the event of the enactment after this date of any law of the state in which the Mortgaged Premises are located deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Mortgaged Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder hereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (a) it might be unlawful to require Mortgagor to make such payment; or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness and other obligations secured hereby, including but not limited to the Break Funding Payment (hereinafter referred to) to be and become due and payable sixty (60) days from the giving of such notice. Nothing contained herein shall require Mortgagor to pay taxes based on the income received by Mortgagee from payments of interest due on the Loan.

6. **No Merger:** It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Premises, it is hereby understood and agreed that should Mortgagee acquire any additional interest in or to the Mortgaged Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee, as evidenced by an express written statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

7. **Prepayment Privilege:** Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments) solely in accordance with the terms and conditions set forth in the Note and no other.

8. **Unsecured Portion of Indebtedness:** If any part of the secured indebtedness and other obligations cannot be lawfully secured by this Mortgage or if any part of the Mortgaged Premises cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness and other obligations first in discharge of that portion thereof which is unsecured by this Mortgage.

9. **Event of Default:** An occurrence of any one or more of the following shall constitute an "Event of Default": a default in the due and punctual performance of any covenant or obligation contained herein, and after any applicable period of grace, if any, shall have expired, and/or the occurrence of an Event of Default as provided in the Loan Agreement and/or the occurrence of an Event of Default as provided in the Note.

10. **Assignment of Rents and Leases:**

(a) To further secure the indebtedness and other obligations secured hereby, Mortgagor does hereby sell, assign and transfer unto Mortgagee all the rents, issues and profits now due with respect to

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the Mortgaged Premises and does hereby sell, assign and transfer onto Mortgagee all Mortgagor's right, title and interest as lessor under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Mortgaged Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Mortgagor or its agents or beneficiaries under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases and agreements, and all the avails thereunder, unto Mortgagee, and Mortgagor does hereby appoint irrevocably Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the Mortgaged Premises as provided in Section 16 hereof) to rent, lease or let all or any portion of the Mortgaged Premises to any party or parties at such rental and upon such terms as Mortgagee shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter exist on the Mortgaged Premises, with the same rights and powers and subject to the same immunities, exonerations of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Section 16 hereof;

(b) Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Mortgaged Premises for more than one installment in advance and that the payment of none of the rents to accrue for any portion of the Mortgaged Premises has been or will be, without Mortgagee's consent, waived, released, reduced, discounted, or otherwise discharged or compromised by Mortgagor. Mortgagor shall not grant any rights of set off or permit any set off to rent by any person in possession of any portion of the Mortgaged Premises. Mortgagor agrees that it will not assign any lease or any rents or profits of the Mortgaged Premises, except to Mortgagee or with the prior written consent of Mortgagee.

(c) Nothing herein contained shall be construed as constituting Mortgagee as a mortgagee in possession in the absence of the taking of actual possession of the Mortgaged Premises by Mortgagee pursuant to Section 16 hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

(d) Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the Mortgaged Premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the Mortgaged Premises as Mortgagee shall from time to time require.

(e) Although it is the intention of the parties that the assignment contained in this Section 10 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as there is no Event of Default hereunder, Mortgagor shall have the privilege of collecting and retaining the rents accruing under the leases assigned hereby.

(f) Mortgagor expressly covenants and agrees that if Mortgagor, as lessor under any lease for all or any part of the Mortgaged Premises, shall fail to perform and fulfill any term, covenant, condition or provision in said lease or leases, or any of them on its part to be performed or fulfilled, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any breach or default under the provisions of any assignment of any lease or leases given as additional security for the payment of the indebtedness secured hereby, such breach or default shall constitute a default hereunder and entitle Mortgagee to all rights available to it in such event.

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(g) At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in eminent domain), to any one or more leases affecting any part of the Mortgaged Premises, upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

11. Additional Rights of Mortgagee: Mortgagor hereby covenants and agrees that:

(a) If the payment of the indebtedness or other obligations secured hereby or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable thereon or interested in the Mortgaged Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

(b) In the event the ownership of the Mortgaged Premises, or any part thereof, becomes vested in a person or entity other than Mortgagor (without hereby implying Mortgagee's consent to any assignment, transfer or conveyance of the Mortgaged Premises) Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to said debt in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the debt. No sale of the Mortgaged Premises, no forbearance on the part of Mortgagee and no extension of the time for the payment of the debt or other obligations hereby secured given by Mortgagee shall operate to release, modify, change, or affect the original liability, if any, of Mortgagor, either in whole or in part.

(c) Mortgagee, at its sole option and without notice: (i) may release any part of the Mortgaged Premises, or any person liable for the debt and other obligations secured hereby, without in any way affecting the lien hereof upon any part of the Mortgaged Premises not expressly released; (ii) may agree with any party obligated on the debt and other obligations secured hereby, or having any interest in the Mortgaged Premises, to extend the time for payment of any part or all of the debt and other obligations secured hereby; (iii) may accept a renewal note or notes therefor; (iv) may take or release other or additional security for the indebtedness and other obligations secured hereby; (v) may consent to any plat, map or plan of the Mortgaged Premises; (vi) may consent to the granting of any easement; (g) may join in any extension or subordination agreement; (vii) may agree in writing with Mortgagor to increase the amount of the debt, modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; or (viii) may waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time to evidence or secure the payment of the indebtedness. Any such agreement shall not in any way release or impair the lien hereof, but shall, as applicable, extend the lien hereof as against the title of all parties having any interest in the Mortgaged Premises which interest is subject to this Mortgage.

(d) This Mortgage is intended only as security for the obligations herein set forth. Notwithstanding anything to the contrary contained in this Mortgage, Mortgagee shall have no obligation or liability under, or with respect to, or arising out of this Mortgage and shall not be required or obligated in any manner to perform or fulfill any of the obligations of Mortgagor hereunder.

12. Mortgagee's Remedies: Upon the occurrence of an Event of Default hereunder, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any

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form and manner deemed expedient by Mortgagee. By way of illustration and not in limitation of the foregoing, Mortgagee may (but need not) do all or any of the following: make full or partial payments of principal and/or interest on prior and/or subordinate encumbrances or complete construction; make repairs; collect rents; prosecute collection of any sums due with respect to the Mortgaged Premises; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; and redeem from any tax sale or forfeiture affecting the Mortgaged Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees and expenses, and any other monies advanced by Mortgagee to protect the Mortgaged Premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at Default Rate set forth in the Note. In making any payment or securing any performance relating to any obligation of Mortgagor hereunder, Mortgagee shall (as long as it acts in good faith) be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of Mortgagee, and no inaction of Mortgagee hereunder, shall ever be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. All sums paid by Mortgagee for the purposes herein authorized, or authorized by any Loan Document shall be considered additional advances made under the Note and pursuant to this Mortgage and shall be secured by the Mortgage.

13. Acceleration of Indebtedness upon an Event of Default:

(a) Upon the occurrence of an Event of Default, then and in every such case the whole of said principal sum hereby secured and all other obligations secured hereby shall, at once, at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor.

(b) If while any insurance proceeds or condemnation awards are held by or for Mortgagee to reimburse Mortgagor or any lessee for the costs of repair, rebuilding or restoration of buildings or other improvements on the Land, as set forth in Sections 4 and 18 hereof, Mortgagee shall, in Mortgagee's sole, absolute and unreviewable discretion be or become entitled to accelerate the maturity of the indebtedness, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by or for it in the manner set forth in Section 4 above.

14. Foreclosure; Expense of Litigation:

(a) If an Event of Default has occurred hereunder, or when the indebtedness or other obligations hereby secured, or any part thereof, shall become due and not indefeasibly paid or satisfied in full, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof, and in the event of the default in the payment of any installment due under the Note secured hereby, the owner of the Note may accelerate the payment of same and may institute proceedings to foreclose this Mortgage and/or exercise any other right, power or remedy granted herein, in any one or more of the other Loan Documents and/or then existing in law or in equity for the entire amount then unpaid with respect to the Note. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees and expenses, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute

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such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Mortgaged Premises. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of said Mortgaged Premises, the maintenance of the lien of this Mortgage, including the fees and expenses of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note, and the other Loan Documents or the Mortgaged Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate and shall be secured by this Mortgage and the other Loan Documents until paid in full.

(b) This Mortgage may be foreclosed once against all, or successively against any portion or portions of the Mortgaged Premises, as Mortgagee may elect. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale, and may be foreclosed successively and in parts, until all of the Mortgaged Premises have been foreclosed against and sold. Mortgagor waives and relinquishes any and all rights that Mortgagor may have to cause or compel a sale of any part or parcel of the Mortgaged Premises that is less than the entire Mortgaged Premises.

(c) Mortgagee may employ counsel for advice or other legal service at Mortgagee's discretion in connection with any dispute as to the obligations of Mortgagor hereunder, or as to the title of Mortgagee to the Mortgaged Premises pursuant to this Mortgage, or in any litigation to which Mortgagee may be a party which may affect the title to the Mortgaged Premises or the validity of the indebtedness and other obligations hereby secured (including but not limited to probate and bankruptcy proceedings), and any reasonable attorneys' fees and expenses so incurred shall be added to and be a part of the debt hereby secured. Any costs and expenses reasonably incurred in connection with any other dispute or litigation affecting said debt or Mortgagee's title to the Mortgaged Premises, including reasonably estimated amounts to conclude the transaction, shall be added to and be a part of the indebtedness hereby secured. All such amounts shall be payable by Mortgagor to Mortgagee upon demand, and if not paid, shall be included as a part of the mortgage debt and shall include interest at the Default Rate from the dates of their respective expenditures until paid in full.

(d) The proceeds of any foreclosure sale of the Mortgaged Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, on account of all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, on account of all principal and interest remaining unpaid on the Note, together with any unpaid Break Funding Payment, in the order of priority therein described; and fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

(e) After an Event of Default, Mortgagee shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Mortgaged Premises. The failure to join any tenant or tenants of the Mortgaged Premises as party defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

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15. Appointment of Receiver: Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall, upon the election of Mortgagee, appoint a receiver of the Mortgaged Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Mortgaged Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands after deducting reasonable compensation for the receiver and his counsel as allowed by the court, in payment (in whole or in part) of any or all of any obligation secured hereby, including without limitation the following, in such order of application as Mortgagee may elect: (a) amounts due upon the Note, (b) amounts due upon any decree entered in any suit foreclosing this Mortgage, (c) costs and expenses of foreclosure and litigation upon the Mortgaged Premises; (d) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Mortgaged Premises; (e) any other lien or charge upon the Mortgaged Premises that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same; provided that such application is made prior to foreclosure sale, and (f) the deficiency in case of a sale and a deficiency.

16. Mortgagee's Right of Possession in Case of Default:

(a) In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Mortgaged Premises or any part thereof personally, or by its agents or attorneys, as for condition broken, and Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of the Mortgaged Premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Mortgaged Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Mortgaged Premises and conduct the business, if any, thereof, either personally or by its agents, contractors or nominees and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Mortgaged Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor, and with full power: (i) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (ii) to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof; (iii) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises, including completion of construction in progress, as to it may seem judicious; (iv) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; (v) to

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employ watchmen to protect the Mortgaged Premises; (vi) to continue any and all outstanding contracts for the erection and completion of improvements to the Mortgaged Premises; (vii) to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of Mortgagor; (viii) to receive all avails, rents, issues, profits and proceeds therefrom and to perform such other acts in connection with the management and operation of the Mortgaged Premises as Mortgagee, in its discretion, may deem proper and (ix) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, or for options to lessees to extend or renew terms to expire beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Mortgage indebtedness, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any purchaser.

(b) Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees and expenses, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

17. **Application of Income Received by Mortgagee:** Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Section 10, Section 15 and Section 16 hereof, shall have full power to use and apply the avails, rents, issues and profits of the Mortgaged Premises to the payment of or on account of the following, in such order as Mortgagee may determine: (a) to the payment of the operating expenses of the Mortgaged Premises including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (b) to the payment of taxes and special assessments now due or which may hereafter become due on the Mortgaged Premises; (c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Mortgaged Premises, and of placing said property in such condition as will, in the judgment of Mortgagee, make it readily rentable or the Units thereof readily saleable; and (d) to the payment of any indebtedness and other obligations secured hereby or any deficiency which may result from any foreclosure sale.

18. **Condemnation:** Mortgagor hereby assigns, transfers and sets over unto Mortgagee its entire interest in the proceeds (hereinafter referred to as the "**Condemnation Proceeds**") of any award or any claim for damages for any of the Mortgaged Premises taken or damaged under the power of eminent domain or by condemnation or any action in lieu of condemnation (hereinafter referred to as "**Condemnation**"). Mortgagor shall give Mortgagee immediate notice of the actual or threatened commencement of any such proceedings under condemnation or eminent domain affecting all or any part

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of the Mortgaged Premises or any easement therein or appurtenance thereof, including subsidence and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor shall make, execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, with the exception of the subordinate liens approved by Mortgagee in writing prior to the initial disbursement of the indebtedness secured hereby, any and all further assignments and instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning to Mortgagee all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. Mortgagor hereby empowers Mortgagee, in Mortgagee's sole discretion, and at its election to settle, compromise and adjust any and all claims or rights arising under any Condemnation relating to the Mortgaged Premises or any portion thereof. Mortgagor shall settle, compromise and adjust such claims or rights in the event Mortgagee does not elect to do so as provided above. Nothing contained in this Mortgage shall create any responsibility or obligation on Mortgagee to collect any amount owing due to any Condemnation or to rebuild, repair or replace any portion of the Mortgaged Premises or any improvements thereon or to perform any act hereunder. Mortgagee may, in its sole, absolute and unreviewable discretion elect to apply the Condemnation Proceeds upon or in reduction of the indebtedness secured hereby, whether due or not, or to require Mortgagor to restore or rebuild, in which event the Condemnation Proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on the Mortgaged Premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. In the event Mortgagor is required or authorized, by Mortgagee's election as aforesaid, to rebuild or restore, the Condemnation Proceeds shall be paid out in the same manner as is provided in Section 4 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of the Condemnation Proceeds is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness as set forth in Section 4 hereof.

19. Indemnification. Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from and against any and all loss, damage (consequential or otherwise), cost, expense, injury, or liability Mortgagee may suffer or incur as a result of the nonpayment and/or nonperformance by Mortgagor of any of the obligations contained in the Note, the Loan Agreement, this Mortgage or in any of the other Loan Documents or in connection with the exercise by Mortgagee of its rights under this Mortgage, including but not limited to Enforcement Costs.

(a) Mortgagor covenants and agrees that Mortgagor will indemnify, hold harmless, and defend Mortgagee and (i) any current or former officer, director, employee or agent of Mortgagee, (ii) any parent, subsidiary or affiliated company of Mortgagee, (iii) any participant in the Loan, (iv) a court appointed receiver of any or all of the Mortgaged Premises, and (v) any recipient of an assignment or deed in lieu of foreclosure of any or all of the Mortgaged Premises or any transferee thereof (Mortgagee and those referred to in items (i) – (v), both inclusive, individually an "Indemnitee" and collectively, the "Indemnitees"), immediately upon demand by any Indemnitee from any and all claims, losses, damages, liabilities, injuries, response costs, fees, penalties, clean-up costs and expenses arising out of or in any way relating to: (A) the existence of Contaminants over, beneath, in or upon the Mortgaged Premises, or the escape, seepage, leakage, spillage, discharge, emission, transportation or release from the Mortgaged Premises of any Contaminants into the atmosphere or into any watercourse, body of water, ground water, wetlands or publicly or privately owned well, or onto any other parcel of property; (B) any violation or alleged violation of any Environmental Laws, regarding, arising out of or in connection with the

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Mortgaged Premises or the operations of Mortgagor; or (C) the breach of any of the representations, warranties, covenants and agreements set forth in the foregoing paragraphs hereof; with such claims, losses, damages, response costs, clean-up costs and expenses including, but not limited to: (I) claims of third parties (including, but not limited to, governmental agencies) for damages, fines, penalties, liens, response costs, clean-up costs, injunctive or other relief; (II) costs and expenses of clean-up, removal, or containment whether incurred by Indemnitee or any third parties, including fees and expenses of attorneys and experts, and costs of reporting the existence of Contaminants to any governmental agency; and (III) any and all expenses or obligations incurred, including those included within the definition of "Enforcement Costs". The foregoing losses, liabilities, damages, injuries, costs, expenses and claims, together with all other sums for which the Indemnitees are to be indemnified pursuant to this Environmental Indemnification Agreement shall be reimbursable to such Indemnitees as incurred, with no requirement to wait for the ultimate outcome of any litigation, claim or other proceeding. Mortgagor shall pay same to Indemnitees from time to time, as incurred, within ten (10) days after notice from such Indemnitee itemizing the amounts incurred. Such amounts shall thereafter bear interest at the Default Rate provided in the Note until paid in full. Payment by Indemnitees shall not be a condition precedent to the obligations of Mortgagor hereunder. THE FOREGOING INDEMNIFICATION IS EXPRESSLY INTENDED TO INCLUDE, AND DOES INCLUDE, ANY MORTGAGOR'S ENVIRONMENTAL OBLIGATIONS ARISING AS A RESULT OF ANY STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON AN INDEMNITEE IN CONNECTION WITH ANY OF THE FOREGOING MATTERS OR ARISING AS A RESULT OF THE NEGLIGENCE OF AN INDEMNITEE IN CONNECTION WITH SUCH MATTERS.

(b) The representations, warranties, covenants and agreements contained herein and the obligations of Mortgagor to indemnify Mortgagee and the other Indemnitees with respect to the expenses, damages, losses, costs, damages and liabilities set forth in the foregoing paragraphs shall not be limited to the amount of the Loan and shall survive: (i) the foreclosure of any liens or security interests in favor of Mortgagee or a third party (and shall not be limited to the amount of any deficiency in any liquidation or foreclosure action); (ii) the delivery and/or acceptance of an assignment or deed in lieu of foreclosure of any or all of the Mortgaged Premises; (iii) repayment of all amounts due under the Loan; (iv) the cancellation of any promissory notes evidencing the Loan; and (v) the discharge or release of any and all collateral securing repayment of the Loan.

20. **Notices:** Any notice, demand, request or other communication desired to be given or required pursuant to the terms hereof shall be in writing and shall be delivered by personal service or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight express courier, freight prepaid, addressed as follows or to such other address as the parties hereto may designate in writing from time to time:

Mortgagor: SALF 920, LLC, an Illinois limited liability company
311 W. Walton
Chicago, Illinois 60610
Attention: Fergus Rooney

Copy to: Brian Carey
Attorney at Law
1807 North Broadway
Melrose Park, Illinois 60160

Mortgagee: Schaumburg Bank & Trust Company, N.A.

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c/o Elk Grove Village Bank & Trust
 1145 N. Arlington Heights Road
 Itasca, Illinois 60143
 Attn: Teresa A. Faidley

Copy to: Robinson Shapiro & Schwartz, LLC
 208 South LaSalle Street, Suite 1750
 Chicago, Illinois 60604
 Attn: Donald A. Robinson

Any such notice, demand, request or other communication shall be deemed given when personally delivered or if mailed three days after deposit in the mail or if delivered by a nationally recognized overnight express courier, freight prepaid, the next business day after delivery to such courier.

21. Waiver of Defense: No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

22. Waiver of Statutory Rights: Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Premises sold as an entirety. Mortgagor hereby waives any and all rights of redemption.

If Mortgagor is a trustee, Mortgagor represents that the provisions of this Mortgage were made at the express direction of the Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor, and are made on behalf of the trust estate of Mortgagor and all beneficiaries of Mortgagor as well as all other persons mentioned above.

23. Mortgagor's Additional Covenants: Mortgagor further covenants and agrees with Mortgagee, its successors and assigns as follows:

(a) No building or other property now or hereafter encumbered by the lien of this Mortgage shall be removed, demolished or materially altered, without the prior written consent of Mortgagee, except that Mortgagor shall have the right to remove and dispose of, free from the lien of this Mortgage, such equipment as from time to time may become worn out or obsolete, provided that either: (i) simultaneously with or prior to such removal any such equipment shall be replaced with other equipment of a value at least equal to that of the replaced equipment and free from any title retention or security agreement or other encumbrances, and by such removal and replacement Mortgagor shall be deemed to have subjected such equipment to the lien of this Mortgage, or (ii) any net cash proceeds received from such dispositions shall be paid over promptly to Mortgagee to be applied in the manner provided in Section 4 above.

(b) Mortgagor will pay all filing, registration, recording and search and information fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all other documents securing the indebtedness secured hereby and all federal, state, county and municipal taxes, other taxes,

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duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the indebtedness secured hereby, this Mortgage and all other documents securing the indebtedness secured hereby and all assignments thereof.

24. Payment of Sums Due upon Mortgagee's Demand: If Mortgagor shall not pay to Mortgagee such sums that are required pursuant to the terms hereof and/or the other Loan Documents to be paid upon Mortgagee's demand or to be paid within any time period specified for such payment following demand, if not paid as so required, at Mortgagee's discretion: (a) such sums shall constitute additional Indebtedness and shall bear interest at the Default Rate until paid and/or (b) such failure shall constitute a default hereunder.

25. Usury Laws, Etc.:

(a) Mortgagor represents and agrees that the proceeds of the Note will be used for the purpose specified in 815 D.C.S 205/4, and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph.

(b) If as a result of any circumstances whatsoever, fulfillment of any provision of this Mortgage or the Note at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by applicable usury statute or any other law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and paid according to the provisions of the Note, so that in no event shall any exaction be possible under this Mortgage or the Note that is in excess of the limit of such validity; but such obligation shall be fulfilled to the limit of such validity. In no event shall Mortgagor, its successors or assigns, be bound to pay for the use, forbearance or detention of the money loaned and secured hereby interest of more than the legal limit, and the right to demand any such excess shall be and hereby is waived. The provisions of this Section shall control every other provision of this Mortgage and the Note.

26. Binding on Successors and Assigns; Gender: This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor, its successors, vendees, heirs, assigns, executors, administrators, legal and personal representatives and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors, vendees and assigns of Mortgagee named herein, and the owner or owners, holder or holders, from time to time, of the Note. Wherever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders and shall be interchangeable where the context so requires.

27. Captions: The captions and headings of various sections of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

28. Waiver of Trial by Jury: THE UNDERSIGNED WAIVES ANY RIGHT TO TRIAL BY JURY ON ANY ACTION OR PROCEEDING TO ENFORCE AND/OR DEFEND ANY RIGHTS: (A) UNDER THIS MORTGAGE, THE NOTE OR UNDER ANY AMENDMENT EVIDENCING AND/OR SECURING THE NOTE OR ANY OTHER DOCUMENT, OR ANY AMENDMENT, INSTRUMENT OR AGREEMENT OR THE NOTE, OR THE LOAN DOCUMENTS WHICH MAY

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BE DELIVERED IN THE FUTURE IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THE NOTE OR ANY DOCUMENT EVIDENCING AND/OR SECURING THE NOTE OR ANY LOAN DOCUMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT WHICH MAY BE DELIVERED IN THE FUTURE IN CONNECTION HEREWITH, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR REPRESENTS AND WARRANTS THAT ITS COUNSEL HAS ADVISED IT OF THE EFFECT OF THIS SECTION.

29. Governing Law: The Note, this Mortgage and the other Loan Documents were negotiated in the State of Illinois, the Loan was made by Mortgagee and accepted by Borrower in the State of Illinois, and the proceeds of the Loan delivered pursuant to the Note were disbursed from the State of Illinois, which state the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including, without limiting the generality of the foregoing, matters of construction, validity, enforceability and performance of this Mortgage, the Note the other Loan Documents and the obligations arising hereunder and thereunder shall be governed by, and construed in accordance with, the laws of the State of Illinois applicable to contracts made and performed in such state (without regard to principles of conflicts of laws) and any applicable law of the United States of America. To the fullest extent permitted by law, Mortgagor hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs the Note and the other Loan Documents.

30. Severability: If any provision in this Mortgage is held by a court of law having appropriate jurisdiction to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such provision of this Mortgage to be illegal, invalid, unlawful, void, voidable, or unenforceable as written, then such provision shall be given full force and effect to the fullest possible extent that is legal, valid and enforceable, and such illegality, invalidity or unenforceability shall be limited to such provision and shall not affect or invalidate the other provisions hereof or affect the validity or enforceability of such provision in any other jurisdiction so that the rights, obligations and interests of Mortgagor and the Mortgagee under the remainder of the Note shall continue in full force and effect and to that extent, the provisions hereof are severable.

31. No Liability on Mortgagee: Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the leases affecting the Mortgaged Premises, under any contract relating to the Mortgaged Premises or otherwise, and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagee harmless of and from: (i) any and all liability, loss or damage which Mortgagee may incur under or with respect to any portion of the Mortgaged Premises or under or by reason of its exercise of rights hereunder; and (ii) any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Mortgaged Premises or affecting any rights of Mortgagor thereto. Mortgagee shall not have responsibility for the control, care, management or repair of the Mortgaged Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Premises resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss or damage under

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any of the leases affecting the Mortgaged Premises or under or by reason hereof or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees and expenses.

32. Flood Insurance: If the Mortgaged Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (as amended, the "Flood Act"), Mortgagor will keep the Mortgaged Premises covered for the term of the Note by flood insurance up to the maximum limit of coverage available under the Flood Act.

33. Mortgagee's Right to Exercise Remedies:

(a) The rights and remedies of Mortgagee as provided in the Note, in this Mortgage, in any other Loan Document or available under applicable law, shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or against other obligors, if any, or against the Mortgaged Premises, or against any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. No delay or omission of Mortgagee to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of Mortgagor to pay the principal of, and interest on, the Note in the manner and at the time and place therein respectively expressed.

(b) Mortgagee is further authorized to make or advance in the place and stead of Mortgagor any payment relating to any apparent or threatened adverse title lien, statement of lien, encumbrance, claim, or charge, or payment otherwise relating to any purpose herein and hereby authorized, but not enumerated in this Section, and may do so whenever, in its judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, and in connection with any such advance, Mortgagee, at its option, may and is hereby authorized to obtain a continuation abstract or report of title or title insurance policy prepared by an abstractor or title insurance company of Mortgagee's choosing. All monies paid and incurred in connection therewith, including reasonable attorneys' fees and expenses, and any other monies advanced by Mortgagee to protect the Mortgaged Premises and the lien hereof, shall be so much additional indebtedness secured hereby; and shall become immediately due and payable by Mortgagor to Mortgagee without notice. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

34. Incorporation of Riders, Exhibits and Addenda: All riders, exhibits and addenda attached to this Mortgage are by express and specific reference incorporated in and made a part of this Mortgage; and with the proviso that the covenants contained in each of said riders, exhibits and addenda, and the other things therein set forth shall have the same force and effect as any other covenant or thing herein expressed.

35. Subrogation: To the extent that Mortgagee, on or after the date hereof, pays any sum due under any provision or law or any instrument or document creating any lien prior or superior to the lien of this Mortgage, or Mortgagor or any other person pays any such sum with the proceeds of the loan secured hereby, Mortgagee shall have and be entitled to a lien on the Mortgaged Premises equal in

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priority to the lien discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the indebtedness secured hereby. Mortgagee shall be subrogated, notwithstanding their release of record, to the lien of all mortgages, trust deeds, superior titles, vendors' liens, liens, charges, encumbrances, rights and equities on the Mortgaged Premises, to the extent that any obligation under any thereof is directly or indirectly paid or discharged with proceeds of disbursements or advances under the Note or any Loan Document.

36. Mortgagee's Lien for Commissions, Service Charges and Expenses: At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, brokerage commissions, service charges, liquidated damages, expenses and all advances due to or incurred by Mortgagee in connection with the loan to be secured hereby.

37. Defined Terms: Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Note.

38. Security Agreement

(a) This Mortgage shall be deemed a Security Agreement as defined in the Illinois Uniform Commercial Code. This Mortgage creates a security interest in favor of Mortgagee in all property including all personal property, fixtures and goods affecting property either referred to or described herein or in any way connected with the use or enjoyment of the Mortgaged Premises. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in any Financing Statement filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Uniform Commercial Code, all at Mortgagee's sole election. Mortgagor and Mortgagee agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and the hereby stated intention of the parties hereto, that everything used in connection with the production of income from the Mortgaged Premises and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (A) any such item is physically attached to the improvements, (B) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Mortgagee, or (C) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Premises, whether pursuant to lease or otherwise, shall never be construed as in anywise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of Mortgagee's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal government and any subdivisions or entity of the Federal government, must be filed in the Commercial Code records.

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(b) Notwithstanding the provisions of **Subsection 38(a)** above, Mortgagor covenants and agrees that so long as any balance remains unpaid on the Note and the other obligations secured hereby remain unsatisfied, it will execute (or cause to be executed) and delivered to Mortgagee, such renewal certificates, affidavits, extension statements or other documentation in proper form, so as to keep perfected the lien created by any Security Agreement and Financing Statement given to Mortgagee by Mortgagor, and to keep and maintain the same in full force and effect until the entire principal indebtedness and all interest to accrue thereunder has been paid in full and the other obligations secured hereby have been satisfied; with the proviso that the failure of the undersigned Mortgagor to so do shall constitute an Event of Default hereunder.

39. Contest of Liens: Mortgagor shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claim, provided that Mortgagor shall (a) give prompt notice of any contested lien to Mortgagee at the time the same shall be asserted, (b) deposit with Mortgagee the full amount of such contested lien, together with such amounts that Mortgagee may reasonably estimate as interest and/or penalties which may arise during the period of contest, or in lieu of such deposit, Mortgagee may furnish to Mortgagee a bond or title indemnity as may be satisfactory to Mortgagee, (c) diligently prosecute the contest of any such lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Mortgaged Premises, and permit Mortgagee to be represented in any such contest and Mortgagor shall pay the costs and expenses of Mortgagee and Mortgagee's counsel within ten (10) days of Mortgagee's demand and (d) pay any such sums as may be necessary to obtain the release thereof (including interest and penalties, if any), if and to the extent determined adverse to Mortgagor or within ten (10) days of demand by Mortgagee if, in the opinion of Mortgagee, and notwithstanding any such contest, the Mortgaged Premises or any portion thereof shall be in jeopardy or danger of being forfeited or foreclosed; if Mortgagor shall fail to make such payment Mortgagee may, but shall not be obligated to, pay all such sums that Mortgagee shall, from time to time, determine as necessary to obtain the release of any or all such claims within ten (10) days of Mortgagee's demand therefore.

40. Jurisdiction: To induce Mortgagee to make and disburse the Loan to Mortgagor hereby consents to the jurisdiction of either the Circuit Court of Cook County, Illinois, or the United States District Court for the Northern District of Illinois, in any action, suit or proceeding which Mortgagee at any time may wish to file in connection with this Mortgage or any related matter. Mortgagor hereby agrees that an action, suit or proceeding to enforce this Mortgage may be brought in any state or federal court in the State of Illinois and hereby waives any objection which Mortgagor may have to the laying of the venue of any such action, suit or proceeding in any such Court; provided, however, that the provisions of this **Section 40** shall not be deemed to preclude Mortgagee from filing any such action, suit or proceeding in any other appropriate forum. In the event any such action, suit or proceeding is commenced at any time when Mortgagor is not permanently domiciled in the State of Illinois, Mortgagor agrees that service of process may be made and personal jurisdiction over Mortgagor obtained, by service upon the appointed agent for service of process in the State of Illinois, which agent Mortgagor hereby designates to be:

Brian Carey
 Attorney at Law
 1807 North Broadway
 Melrose Park, Illinois 60160

Mortgagor agrees that this appointment of an agent for service of process is made for the mutual benefit

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of Mortgagor and Mortgagee and may not be revoked without Mortgagee's consent. Mortgagor hereby agrees and consents that any such service of process upon such agent shall be taken and held to be valid personal service upon Mortgagor, whether or not Mortgagor shall be then physically present, residing within, or doing business within the State of Illinois, and that any such service of process shall be of the same force and validity as if service were made upon Mortgagor when physically present, residing within, or doing business in the State of Illinois. Mortgagor hereby waives personal service of process upon Mortgagor, and agrees that such service of process may be made by personal service of process or by registered or certified mail directed to Mortgagor at the addresses for notice stated above and service so made will be deemed to be completed upon actual receipt. Mortgagor waives all claim of error by reason of any such service.

41. No Oral Modifications: This Mortgage may not be modified, amended, discharged or waived orally, except by an agreement in writing and signed by the party against whom enforcement of any such modification, amendment, discharge or waiver is sought. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Mortgage, the exhibits annexed hereto and the Related Documents and other instruments and documents referred to herein, which alone fully and completely express their agreements, and that Mortgagor is not relying upon any statement or representation, (to) embodied in this Mortgage or the Loan Documents and other instruments and documents referred to herein, made by Mortgagee. Mortgagor expressly acknowledges that, except as expressly provided in this Mortgage or the Loan Documents and other instruments and documents referred to herein, Mortgagee and the agents and representatives of Mortgagee have not made, and Mortgagee is not liable for or bound in any manner by, any express or implied warranties, guaranties, promises, statements, inducements, representations or information pertaining to the transactions contemplated hereby.

42. Subordination of Property Manager's Lien: Any property management agreement for the Mortgaged Premises now or hereafter entered into with a property manager shall contain a provision whereby the property manager agrees that any and all mechanics' lien rights that the property manager or anyone claiming by, through or under the property manager may have in the Mortgaged Premises shall be subject and subordinate to the lien of this Mortgage and shall provide that Mortgagee may terminate such agreement, without penalty or cost, at any time after the occurrence of an Event of Default hereunder. Such property management agreement or a short form thereof, at Mortgagee's request, shall be recorded with the Recorder of Deeds of the county where the Mortgaged Premises are located. In addition, if the property management agreement in existence as of the date hereof does not contain a subordination provision, Mortgagor shall cause the property manager under such agreement to enter into a subordination of the management agreement with the Mortgagee, in recordable form, whereby such property manager subordinates present and future lien rights and those of any party claiming by, through or under such property manager to the lien of this Mortgage.

43. Release Upon Payment and Discharge of Mortgagor's Obligations: Mortgagee shall release this Mortgage and the lien thereof by proper written instrument upon payment and discharge of all indebtedness and other obligations secured hereby and upon payment of a reasonable fee to Mortgagee for preparation of any necessary instruments.

44. Contractual Statute of Limitations: Mortgagor hereby agrees that any claim or cause of action by Mortgagor against Mortgagee, or any of Mortgagee's directors, officers, employees, agents, accountants or attorneys, based upon, arising from or relating to the indebtedness and other obligations secured hereby, or any other matter, cause or thing whatsoever, whether or not relating thereto, occurred, done, omitted or suffered to be done by Mortgagee or by Mortgagee's directors, officers, employees,

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agents, accountants or attorneys, whether sounding in contract or in tort or otherwise, shall be barred unless asserted by Mortgagor by the commencement of an action or proceeding in a court of competent jurisdiction by the filing of a complaint within one (1) year after Mortgagor first acquires or reasonably should have acquired knowledge of the first act, occurrence or omission upon which such claim or cause of action, or any part thereof, is based and service of a summons and complaint on an officer of Mortgagee or any other person authorized to accept service of process on behalf of Mortgagee, within thirty (30) days thereafter. Mortgagor agrees that such one (1) year period of time is reasonable and sufficient time for a Mortgagor to investigate and act upon any such claim or cause of action. The one (1) year period provided herein shall not be waived, tolled or extended except by the specific written agreement of Mortgagee. This provision shall survive any termination of this Mortgage or any of the other Loan Documents.

45. **Entire Agreement:** This Mortgage, the Note and the other Loan Documents constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior such agreements and understandings, both written and oral. This Mortgage may not be modified, amended, waived, changed, discharged or terminated except by a written instrument signed by Mortgagee and Mortgagor. If this Mortgage is executed in several counterparts, each of those counterparts shall be deemed an original, and all of them together shall constitute one and the same instrument. In the event of a conflict between the terms of this Mortgage and the Note, to the extent of such conflict the terms of the Note shall prevail and the remainder of this Mortgage shall continue in full force and effect to the fullest possible extent, and to that extent the provisions hereof are severable.

46. **Advice of Counsel:** Mortgagor acknowledges that it has been advised by counsel of its choice with respect to this Mortgage. Counsel to Mortgagor participated in the negotiation and preparation of this Mortgage. Mortgagor waives any rule of construction under any applicable law to the effect that ambiguities are to be resolved against the drafting party.

47. **No Third Party Beneficiary:** It is expressly agreed by Mortgagor and the Mortgagee that this Mortgage shall not be construed or deemed made for the benefit of any third party or parties.

48. **For Benefit of Mortgagee:** This Mortgage shall inure to the benefit of Mortgagee and its successors and assigns and each subsequent owner and holder of the Note whether by voluntary action or the operation of law, and shall be binding upon Mortgagor and its successors and assigns whether by voluntary action of Mortgagor or the operation of law.

49. **Time is of the Essence; Currency:** Time is of the essence of this Mortgage. All

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payments to be made hereunder shall be made in currency and coin of the United States of America which is legal tender for public and private debts at the time of payment.

50. **Incorporation by Reference:** The preambles hereto and the terms of the Note are incorporated herein and made a part hereof by this reference.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage and Security Agreement as of the date set forth above.

SALF 920, LLC, an Illinois limited liability company

By: 
Fergus Rooney

By: 
Gabrielle Martinez

BEING ALL OF ITS MEMBERS

EXHIBITS:

- Exhibit A: Legal Description
- Exhibit B: Form of Promissory Note

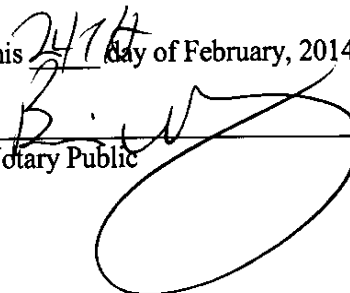
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STATE OF ILLINOIS

COUNTY OF COOK

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Fergus Rooney and Gabrielle Martinez, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as the sole members of SALF 920, LLC, an Illinois limited liability company, appeared before me and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts and as the free and voluntary act of said SALF 920, LLC, an Illinois limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 24th day of February, 2014.



Notary Public

My Commission Expires:



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EXHIBIT A

LEGAL DESCRIPTION

Parcel 1

LOTS 1 TO 4, BOTH INCLUSIVE, IN BLOCK TWENTY -TWO (22) IN JOHNSTON, ROBERTS AND STORRS ADDITION TO CHICAGO IN WEST 1/2 OF SOUTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 920 North Franklin Street, Chicago, Illinois 60610

PIN(s): 17-04-429-013-0600

Parcel 2

Declaration of Party Wall Rights, Reciprocal Easements, Covenants, Conditions and Restrictions dated as of February 24, 2014 made by 900 Partners, LLC, an Illinois limited liability company, recorded in the Office of the Recorder of Deeds of Cook County, Illinois on MAY 20 2014, 2014 as Document No. 1407935022.

together with (i) any and all buildings and structures and improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the property ("Property") legally described above or any part thereof, and all rights, titles and interest appurtenant thereto, together with all right, title and interest of Mortgagor in and to all fixtures, furniture, furnishings, and all other personal property of any kind or character, temporary or permanent, now or hereafter located upon, within or about the Mortgaged Premises which are necessary for the operation of the Mortgaged Premises, (excluding personal property owned by tenants in possession), together with any and all accessions, replacements, substitutions, and additions thereto or therefor and the proceeds thereof and all goodwill, trademarks, tradenames, option rights, purchase contracts and agreements, books and records and general intangibles of Mortgagor relating to the Property and Mortgaged Premises and all accounts, accounts receivable, contract rights, choses in action, instruments, chattel paper and other rights of Mortgagor for payment of money relating to the Property and Mortgaged Premises and any other intangible property of Mortgagor related to the Property and Mortgaged Premises, including without limitation any and all rights of Mortgagor in, to or with respect to any and all accounts maintained with Mortgagee or any other party in which are held funds relating to all real estate and personal property taxes, water, gas, sewer, electricity, and other utility rates and charges, charges for any easement, license or agreement maintained for the benefit of the Mortgaged Premises, and all other liens with respect thereto, of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the Mortgaged Premises or the rents, issues and profits of the ownership, use, occupancy or enjoyment thereof, insurance premiums, or tenants' security deposits with respect to the Property and Mortgaged Premises and all of Mortgagor's right, title and interest in and to all of the rents, issues, revenues, royalties, income, avails, proceeds, profits and

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other benefits paid or payable by parties under any and all leases, subleases, licenses, concessions or other agreements (written or oral, now or hereafter in effect) which grant occupancy, a possessory interest in and to, or the right to use the Property and Mortgaged Premises or any part thereof or interest therein, all rents, issues and profits, and all rights, privileges, authority and benefits of Mortgagor or the landlord under such leases (but under no circumstances any liabilities, obligations or responsibilities thereunder) or otherwise generated by or derived from the Property and Mortgaged Premises and Mortgagor's rights to any and all documents, documents of title, instruments, contracts or agreements pertaining to the ownership, use, occupancy, possession, development, design, construction, financing, operation, alteration, repair, marketing, sale, lease or enjoyment of the Property and Mortgaged Premises, including without limitation any contracts for labor or materials, purchase orders, service contracts, insurance policies and binders, maintenance agreements, management contracts, lease agency agreements, sales agency agreements, marketing contracts, loan or financing commitments, and payment, performance or surety bonds, and all rights, privileges, authority and benefits thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder); (ii) any and all rights, privileges, authority and benefits under any option, articles of agreement for deed, installment contract or other contract or agreement pursuant to which Mortgagor is granted any possessory, legal, equitable, beneficial or other interest in the Property and Mortgaged Premises; (iii) any and all rights, privileges, tenements, hereditaments, rights of way, rights of access, riparian rights, irrigation rights, drainage rights, mineral rights, homestead rights, easements, appendages and appurtenances in any way appertaining thereto, and all right, title and interest of Mortgagor in and to any streets, ways, alleys, waterways, waters, strips or gores of land adjoining the Property or any part thereof; (iv) any and all betterments, additions, appurtenances, substitutions, replacements and after acquired title or interests in the Property and Mortgaged Premises and all reversions and remainders therein; and (v) any and all of Mortgagor's right, title and interest in and to any judgment, award, remuneration, settlement, compensation, recovery or proceeds heretofore made or hereafter to be made by any present or future governmental authority or insurance company to the present or any subsequent owner of the Property and Mortgaged Premises, including those for any condemnation of or casualty to the Property and Mortgaged Premises, or for any vacation of, or change of grade in, any streets serving or affecting the Property and Mortgaged Premises.

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EXHIBIT B

FORM OF NOTE

Property of Cook County Clerk's Office

COOK COUNTY
RECORDS
SCANNED

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PROMISSORY NOTE

\$3,475,000.00

State of Illinois
February 24, 2014

THIS PROMISSORY NOTE (herein, together with all extensions, amendments, modifications, renewals and replacements thereof, this "Note") is made by SALF 920, LLC, an Illinois limited liability company ("Borrower") and is payable to the order of Schaumburg Bank & Trust Company, N.A. ("Lender") having an address c/o Elk Grove Village Bank & Trust, 1145 N. Arlington Heights Road, Itasca, Illinois 60143 evidencing a loan in the initial principal amount of THREE MILLION FOUR HUNDRED SEVENTY FIVE THOUSAND AND NO/100 DOLLARS (\$3,475,000.00) (the "Loan") from Lender to Borrower.

FOR VALUE RECEIVED, Borrower hereby promises to pay on or before February 24, 2019 (the "Maturity Date") in lawful money of the United States of America to the order of Lender without any counterclaim, setoff or deduction whatsoever, the principal amount of THREE MILLION FOUR HUNDRED SEVENTY FIVE THOUSAND AND NO/100 DOLLARS (\$3,475,000.00), together with interest on the principal balance of this Note remaining from time to time outstanding, together with all other sums due hereunder as follows:

1. **INTEREST RATES.** Interest shall accrue from the date of first disbursement hereunder on the unpaid principal balance of this Note remaining from time to time outstanding at the rates in accordance with the following provisions:

(a) Interest shall accrue from the date of first disbursement hereunder through and including the Maturity Date on the principal balance remaining from time to time outstanding hereunder at the rate equal to the one (1) month LIBOR Rate (as hereinafter defined) plus Two and One-Half Percent (2.50%) (the "Interest Rate"). Interest shall accrue based upon a year consisting of 360 days and charged for the actual number of days elapsed. For purposes of this Note, the date of first disbursement shall be the first date that proceeds evidenced by this Note are disbursed pursuant to the direction of the Borrower. For purposes hereof, the term "LIBOR Rate" shall mean the rate appearing on page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service providing rate quotations comparable to those currently provided on such page of such Service, as determined by Lender from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London Interbank market).

(b) The Interest Rate shall be reset on April 10, 2014 and thereafter as of the tenth (10th) day of each month (the "Reset Date"), based on the LIBOR Rate in effect as approximately 11:00 a.m. London time, one (1) Business Day preceding the Reset Date subject to the Preceding Business Day Convention (as defined in the Definitions, defined below). For purposes of this Note, the term "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in Chicago, Illinois are authorized or required by law to remain closed.

2. **Principal and Interest Payments.** Commencing on April 10, 2014 and continuing on the tenth (10th) day of each month thereafter (the "Payment Date"), Borrower shall pay principal in the amount as set forth on Exhibit A attached hereto, plus interest accrued at the applicable interest rate then

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in effect on the outstanding principal balance of this Note ("**Monthly Payments**"). Said Monthly Payments shall continue on the tenth (10th) day of each month thereafter to and including the tenth day of the month prior to the Maturity Date, with a final payment of all outstanding principal and interest together with such other amounts as shall then be due and owing from Borrower to Lender under this Loan and the Mortgage (as hereinafter defined) on the Maturity Date, or the date on which the indebtedness evidenced hereby is accelerated as provided herein. Borrower acknowledges that the aforesaid principal payments have been calculated based upon an amount sufficient to fully pay the initial disbursement of \$3,475,000.00 over a twenty (20) year period. For purposes of calculating the principal and interest payments due monthly, the period for the calculation of the monthly principal and interest payments shall commence on the tenth (10th) day of the month (including the tenth (10th) of such month but excluding the tenth (10th) day of the following month.)

So long as the Swap Transaction (as defined in Section 4) remains in effect, the Monthly Payments required hereunder on each Payment Date shall be debited as of the Payment Date from the account established by Borrower with Lender for the purpose of the payment of principal and interest on the Loan plus any net settlement due pursuant to the Swap Transaction (as hereinafter defined).

3. **Application of Payments.** Subject to the provisions of Section 2 of this Note, all payments on account of the indebtedness evidenced by this Note shall be applied first to the payment of fees, charges and expenses, including without limitation, late charges, due to Lender hereunder or under the Related Documents (as hereinafter defined), next toward payment of interest due on the unpaid principal balance hereof and the remainder, if any, to principal due hereunder; provided that from and after the occurrence of an Event of Default (as hereinafter defined), the Lender or the then-holder hereof shall have the right and is authorized to apply payments made hereunder against any or all amounts payable hereunder or under the Related Documents, in such order or manner as Lender or the then-holder hereof may in its discretion elect.

4. **Interest Rate Swap Transaction.** Borrower has entered into an Interest Rate Swap Transaction, effective as of the date of first disbursement (the "**Swap Transaction**") in the amount of \$3,475,000.00 for a term of five (5) years through and including the Maturity Date, with the Lender as described in that certain confirmation effective as of the date of first disbursement (the "**Confirmation**"). The Confirmation evidences the Swap Transaction which is effective as of the date of first disbursement and incorporates the definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the "**Definitions**"), and the Confirmation is subject to and incorporates the terms and conditions of the ISDA Master Agreement and Schedule executed of even date herewith (the "**Swap Agreement**"). Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Swap Agreement and the Confirmation, the Confirmation shall control with respect to the Swap Transaction. For purposes of this Note, the term Swap Transaction shall be deemed to include the Confirmation, the Definitions and the Swap Agreement. Borrower shall have the right to terminate the Swap Transaction with the Lender upon ten (10) days' prior written notice to Lender. Termination of the Swap Transaction shall not be deemed termination of the Loan. In the event that Borrower terminates the Swap Transaction, Borrower shall be entitled to any amount due to it as of the date of termination pursuant to the terms of the Swap Transaction or be responsible for any amount due to Lender, pursuant to the Swap Transaction including any Breach Finding Payment (as hereinafter defined).

5. **Prepayments.** In the event that Borrower desires to prepay the Loan at any time in whole or in part, Borrower shall notify Lender by telephone, confirmed by telecopy, not later than 11:00 a.m. Chicago time, three (3) business days before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount to be prepaid. Prepayment shall be accompanied by accrued interest on the amount prepaid plus any other amounts due under

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Section 6 of this Note entitled "Break Funding Payment." Notwithstanding anything to the contrary contained in this Note, in the event of any Event of Default (as hereinafter defined) hereunder or any "Default" or "Event of Default" under any of the other Related Documents and following the acceleration of all sums due hereunder, a tender of payment by Borrower or any other party, or payment received upon or on account of a foreclosure pursuant to the Mortgage shall be deemed a voluntary prepayment made by Borrower and therefore such prepayment must, to the extent permitted by applicable law, include any prepayment charge described above and any other amounts due pursuant to Section 6 of this Note. Any partial prepayment made hereunder shall not postpone the due date of any subsequent monthly payment of principal and interest required hereunder and shall not change the amount of any such Monthly Payment unless the Lender shall otherwise agree in writing. Borrower acknowledges and agrees that the prepayment charge set forth in this Section 5 is a reasonable estimate of the Lender's loss in the event of any prepayment in whole or in part and that any such prepayment charge is not a penalty.

Further, Borrower recognizes, acknowledges and agrees that any prepayment made hereunder, whether: (i) voluntary, (ii) resulting from the payment to Lender of any insurance or condemnation proceeds, or (iii) resulting from the occurrence of an Event of Default and an acceleration of this Note, may result in material loss or damage to Lender through additional administrative expense and violations of the Swap Agreement, the Confirmation, or the Swap Transaction and Borrower recognizes, acknowledges and agrees that Lender's damages in such event may be extremely difficult and impracticable to ascertain. Therefore, Borrower acknowledges and agrees that the amount set forth in the first paragraph of this Section 5 is a reasonable estimate of said loss or damage to Lender. Borrower waives the provisions of any present or future statute or law which prohibits or may prohibit the collection of any Break Funding Payment.

6. Break Funding Payments. In the event of the prepayment of any principal of the Loan pursuant to Section 5 of this Note, the Swap Transaction shall terminate. In the event the Swap Transaction is terminated, whether as a result of a prepayment or without prepayment, Borrower shall compensate Lender for all loss, cost and expense attributable to such termination pursuant to the terms and conditions as set forth in the Confirmation and/or the Swap Agreement ("**Break Funding Payment**") or Borrower may be entitled to the receipt of excess amounts, if any, due under the Swap Transaction.

7. Method of Payments. All payments of principal and interest hereunder shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be made at such place as lender or the legal holder or holders of this Note may from time to time appoint in the payment invoice or otherwise in writing, and in the absence of such appointment, then at the offices of Lender at the address set forth in the first paragraph of this Note. Payment of all interest, principal and any fees and expenses owed Lender from time to time shall be deducted by Lender automatically on the Payment Date from Borrower's deposit account held with Lender. Borrower will maintain sufficient funds in such account on the dates Lender enters debits authorized by this Note. If there are insufficient funds in the account on the date Lender enters any debit authorized by this Note, the debit will be reversed. Notwithstanding the foregoing, the final payment due under this Note must be made by wire transfer or other final funds.

8. Security for the Note. This Note is secured by, among other things, that certain Mortgage and Security Agreement of even date herewith from Borrower (the "**Mortgage**") on certain real estate and improvements thereon located in Chicago, Cook County, Illinois as more fully described in the Mortgage (the "**Mortgaged Premises**"), that certain Assignment of Rents from Borrower of even date herewith with respect to the Mortgaged Premises (the "**Assignment**"), the Guaranty (hereinafter defined), and an Environmental Indemnity Agreement of even date herewith from Borrower and Guarantor (the "**Environmental Indemnity Agreement**"), (this Note, the Mortgage, the Assignment, the Guaranty, the

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Environmental Indemnity Agreement, any Swap Agreement and any other document executed in connection with the Swap Transaction, and all other documents evidencing or securing the indebtedness evidenced by this Note, whether now or hereafter executed and delivered to Lender, are collectively sometimes referred to herein as the “**Related Documents**”) the terms of each of which are hereby incorporated by reference herein. All of the agreements, conditions, covenants, provisions and stipulations contained in the Related Documents which are to be kept and performed by Borrower are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein, and Borrower covenants and agrees to keep and perform them or cause them to be kept and performed, strictly in accordance with their terms.

9. **Due on Sale.** Except as permitted pursuant to the Mortgage, any sale, conveyance or transfer of any right, title or interest in the Mortgaged Premises or any portion thereof, or any other violation of any provisions of the Mortgage with respect to any transfers of the Mortgaged Premises without the prior written consent of Lender, shall, at the option of Lender, constitute an Event of Default hereunder and upon any such Event of Default Lender may declare the entire indebtedness evidenced by this Note to be immediately due and payable and foreclose the Mortgage securing this Note immediately or at any time after such Event of Default occurs. The acceptance of any payment due hereunder after any sale, transfer or assignment shall not be deemed as the consent of Lender to a sale, transfer or assignment.

10. **Guaranty of Payment.** Payment of this Note has been fully and unconditionally guaranteed, jointly and severally by Agency EA L.L.C., an Illinois limited liability company, Fergus Rooney and Gabrielle Martinez (collectively, the “**Guarantor**”) in accordance with the terms of the Guaranty of Payment and Performance of even date herewith (the “**Guaranty Agreement**”). It is a covenant and a condition hereof that in case Guarantor shall be declared bankrupt, or shall file a petition in voluntary bankruptcy, or under Title 11 of the United States Code, or under any similar State or Federal law, or Guarantor files any declaration, answer or pleading admitting his insolvency or inability to pay or discharge his liabilities, or if a trustee or a receiver is appointed for Guarantor, or for the property or estate of Guarantor, or any court take jurisdiction of Guarantor’s property or estate or should Guarantor make an assignment for the benefit of his creditors, or in the event Guarantor shall die or be judicially declared incompetent, Lender shall have the right to declare an Event of Default hereunder and accelerate all indebtedness due.

11. **Late Fee.** If the Lender has not received the full amount of any payment by the end of ten (10) calendar days after the date such payment is due, a late charge equal to five percent (5%) of the overdue payment of principal and interest shall be charged.

12. **Default Rate.** Subject to the provisions of Section 30 of this Note, commencing upon the occurrence of an Event of Default and continuing thereafter until (a) all sums due hereunder and (b) obligations due hereunder, and under the Related Documents have been paid in full all sums due hereunder and under the Related Documents shall bear interest at rates of interest (the “**Default Rate**”) equal to the greater of (a) the applicable Interest Rate calculated as provided in Section 1 of this Note, as the same may be reset from time to time as set forth in Section 1 of this Note, plus three percent (3.00%) and (b) eighteen percent (18%) per annum.

13. **Acceleration upon Event of Default.** The occurrence of any one or more of the following events shall constitute an “**Event of Default**” hereunder:

- (a) except as provided in the following Subsection 13(b), failure to make monthly payments of principal and interest, together with required escrow deposits, if any, within five (5) days of the date due;

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(b) failure to pay the final payment of all outstanding principal and interest together with all other amounts then due and owing from Borrower to Lender under this Note and the Loan Documents on or before the Maturity Date;

(c) failure of Borrower to make any payment or to perform or observe any other covenant, promise and agreement contained herein;

(d) a material adverse change, as determined by Lender in Lender's sole and unreviewable discretion in (i) the financial condition, business or reputation of Borrower and/or of any Guarantor or (ii) market conditions affecting or determining the income or profitability of any Guarantor's and/or business(es) or other source(s) of income; and

(e) an "Event of Default" (as defined in the Related Documents) under any of the Related Documents not cured within any applicable time period contained therein, if any;

then, at any time thereafter, at the sole option of Lender, without further notice to Borrower, (i) the Maturity Date shall be accelerated and the then unpaid principal balance and all accrued interest thereon together with Enforcement Costs (as hereinafter defined) and any other sums due under the Related Documents shall become immediately due and payable without presentment, demand, notice or protest of any kind, all of which are expressly waived by the Borrower and (ii) unless prohibited by applicable law, and subject to the provisions of Section 30 below, Lender may from time to time add any accrued and unpaid interest to the then unpaid principal balance hereof, and such unpaid principal balance and all accrued and unpaid interest together with Enforcement Costs (as hereinafter defined) together with any other sums due under the Related Documents shall bear interest at the Default Rate until paid to Lender in full.

14. **Nature of Remedies.** Lender's remedies under this Note and the Related Documents shall be cumulative and concurrent and may be pursued singly, successively, or together against Borrower, any guarantor of the Loan, the Mortgaged Premises or any portion or combination thereof, and Lender may resort to each and every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender, for any period of time or on more than one occasion, to exercise its option to accelerate the maturity of this Note, or to give any notice, if any, required as a condition precedent to the occurrence of an Event of Default, shall not constitute a waiver of the right to exercise such option or give such notice at any time during the continued existence of the event or events giving rise to the Lender's ability to exercise such option or give such notice. Lender shall not by any omission or act be deemed to waive any of its rights or remedies hereunder unless such waiver be in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver in connection with one event shall not be construed as continuing or as a bar to or waiver of any right or remedy in connection with a subsequent event.

15. **Collection.** Borrower, in addition to payment of all sums due herein, shall pay and/or reimburse Lender for all costs and expenses incurred or paid by Lender (a) in seeking to enforce the terms of this Note and/or the Related Documents, (b) to prosecute and/or defend any action or proceeding relating to this Note and/or the Related Documents, including bankruptcy and bankruptcy related, reorganization, receivership, insolvency and other actions and proceedings, and appeals of any of the foregoing, and/or (c) in preparing for the commencement of any action, proceeding or suit and for the defense of any threatened action, proceeding or suit related to this Note and/or the Related Documents, whether or not suit is actually filed; including without limitation, one or more attorney's fees and expenses, appraisal fees, documentary and expert evidence fees and costs, stenographers' charges and title charges (together "Enforcement Costs"). All such Enforcement Costs shall become immediately due and

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payable within ten (10) days after notice thereof by Lender and shall accrue interest at the Default Rate until paid in full.

16. **Waivers, Consents, Etc.** Borrower agrees to be bound hereby and (a) waives and renounces any and all moratorium, reinstatement, marshalling, forbearance, stay, extension, homestead, redemption and exemption rights and the benefit of all valuation and appraisal privileges, if any, against the indebtedness evidenced by this Note or by any extension or renewal hereof; (b) waives presentment and demand for payment, notice of nonpayment, notice of dishonor, protest of dishonor, notice of protest, notice of demand and notice of intent to accelerate maturity; (c) waives all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default or enforcement of the payment hereof or hereunder; (d) waives any and all lack of diligence and delays in the enforcement of the payment hereof; (e) agrees that the liability of each Guarantor shall be unconditional and without regard to the liability of any other person or entity for the payment hereof, and shall not in any manner be affected by any indulgence or forbearance granted or consented to by Lender with respect thereto; (f) consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions hereof, and to the release of any security at any time given for the payment hereof, or any part thereof, with or without substitution, and to the release of any person or entity liable for the payment hereof; and (g) consents to the addition of any and all other makers, endorsers, guarantors, and other obligors for the payment hereof, and to the acceptance of any and all other security for the payment hereof, and agrees that the addition of any such obligors or security shall not affect the liability of Borrower or any guarantor for the payment hereof. This provision is a material inducement for Lender's making the Loan pursuant to the Loan Agreement to Borrower.

17. **Extensions.** Borrower agrees that the time of payment of the principal balance or any accrued interest thereon or any part thereof may be extended from time to time without modifying or releasing the Mortgage or other Related Documents or the liability of Borrower, any guarantor of the Loan or any other such parties, the right of recourse against Borrower, any guarantor of the Loan and other such parties being hereby reserved by Lender.

18. **No Failure by Lender.** No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder or under any of the Related Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder or under any of the Related Documents preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

19. **Governing Law.** THIS NOTE WAS NEGOTIATED IN THE STATE OF ILLINOIS, THE LOAN WAS MADE BY LENDER AND ACCEPTED BY BORROWER IN THE STATE OF ILLINOIS, AND THE PROCEEDS OF THE LOAN DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF ILLINOIS, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY, ENFORCEABILITY AND PERFORMANCE OF THIS NOTE AND THE RELATED DOCUMENTS AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM

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TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS NOTE OR THE RELATED DOCUMENTS.

20. **Jurisdiction.** To induce Lender to make and disburse the Loan to Borrower, Borrower hereby consents to the jurisdiction of either the Circuit Court of Cook County, Illinois, or the United States District Court for the Northern District of Illinois, in any action, suit or proceeding which Lender at any time may wish to file to enforce or otherwise in connection with this Note, a Related Document or any related matter. Borrower hereby agrees that any such action, suit or proceeding may be brought in any state or federal court in the State of Illinois and hereby waives any objection which Borrower may have to the laying of the venue of any such action, suit or proceeding in any such Court; provided, however, that the provisions of this Section 20 shall not be deemed to preclude Lender from filing any such action, suit or proceeding in any other appropriate forum. In the event any such action, suit or proceeding is commenced at any time when Borrower is not permanently domiciled in the State of Illinois, Borrower agrees that service of process may be made and personal jurisdiction over Borrower obtained by service upon the appointed agent for service of process in the State of Illinois, which agent Borrower hereby designates to be:

Brian Carey
Attorney at Law
1807 North Broadway
Melrose Park, Illinois 60160

Borrower agrees that this appointment of an agent for service of process is made for the mutual benefit of Borrower and Lender and may not be revoked without Lender's consent. Borrower hereby agrees and consents that any service of process upon such agent shall be taken and held to be valid personal service upon Borrower, whether or not Borrower shall be then physically present, residing within, or doing business within the State of Illinois, and that any such service of process shall be of the same force and validity as if service were made upon Borrower when physically present, residing within, or doing business in the State of Illinois. Borrower hereby waives personal service of process upon Borrower, and additionally agrees that such service of process may be made by personal service of process or by registered or certified mail directed to Borrower at the address for notice stated above and service so made will be deemed to be completed upon actual receipt. Borrower waives all claim of error by reason of any such service.

21. **Waiver of Trial by Jury.** THE UNDERSIGNED WAIVES ANY RIGHT TO TRIAL BY JURY ON ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS NOTE OR UNDER ANY DOCUMENT EVIDENCING AND/OR SECURING THIS NOTE OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT WHICH MAY BE DELIVERED IN THE FUTURE IN CONNECTION HEREWITH, OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS NOTE OR UNDER ANY DOCUMENT EVIDENCING AND/OR SECURING THIS NOTE OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT WHICH MAY BE DELIVERED IN THE FUTURE IN CONNECTION HEREWITH, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER REPRESENTS AND WARRANTS THAT ITS COUNSEL HAS ADVISED IT OF THE EFFECT OF THIS SECTION.

22. **Special Damages Waiver.** TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, BORROWER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST LENDER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS NOTE OR ANY RELATED DOCUMENT,

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THE TRANSACTIONS CONTEMPLATED THEREBY, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

23. **Advice of Counsel.** Borrower acknowledges that it has been advised by counsel of its choice with respect to this Note. Counsel to Borrower participated in the negotiation and preparation of this Note. Borrower waives any rule of construction under any applicable law to the effect that ambiguities are to be resolved against the drafting party.

24. **Language.** As used herein, the term "Lender" shall also include subsequent owner or owners or holder or holders of this Note. The term "Borrower" shall include the successors, assigns, legal and personal representatives, executors, administrators, devisees, legatees and heirs of Borrower. Regardless of their form, all words shall be deemed singular or plural and shall have the gender as required by the text.

25. **Benefit of Lender.** This Note shall inure to the benefit of Lender and its successors and assigns whether by voluntary action of Lender or the operation of law and shall be binding upon Borrower and its successors and assigns whether by voluntary action of Borrower or the operation of law.

27. **Successors and Assigns.** This Note shall bind Borrower and the heirs, assigns, successors, executors, administrators and legal and personal representatives of Borrower; provided that Borrower shall not be entitled to transfer or assign its obligations hereunder without the prior written consent of Lender. If this Note is executed by more than one person, it shall be the joint and several undertaking of each of the undersigned. Regardless of whether this Note is executed by more than one person, it is agreed that the undersigned's liability hereunder is several and independent of any other guarantees or other obligations at any time in effect with respect to the indebtedness evidenced by this Note and/or secured by the Related Documents, or any part thereof and that Borrower's liability hereunder may be enforced regardless of the existence, validity, enforcement or non-enforcement of any guarantees or other obligations.

26. **Time of Essence.** Time is of the essence of this Note.

27. **Compliance with Applicable Law.** Borrower represents, warrants and covenants that: (a) the obligations evidenced by this Note constitute an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. Section 1601, et seq., (b) Borrower is not in the business of extending credit for the purposes of purchasing or carrying margin securities (within the meaning of Reg. U of the Board of Governors of the Federal Reserve System), (c) the proceeds of this Note shall be used for business purposes and (d) no funds disbursed hereunder shall be used for personal, family or household purposes and said obligations constitute a business loan which comes within the purview of Section 4(l) (c) of "An Act in Relation to the Rule of Interest and Lending of Money," approved May 24, 1879, as amended, 815 ILCS 205/4(l) and that the Mortgaged Premises do not constitute agricultural real estate or residential real estate as such terms are defined in such Act.

28. **No Joint Venture.** Lender shall not be construed for any purpose to be a partner, joint venturer, agent or associate of Borrower or of any lessee, operator, concessionaire or licensee of Borrower and/or any Guarantor in the conduct of its or their business, and by the execution of this Note, Borrower agrees to indemnify, defend, and hold Lender harmless from and against any and all damages, costs, expenses and liability that may be incurred by Lender as a result of a claim that Borrower and/or any Guarantor, and Lender, are such partners, joint venturers, agents or associates.

29. **Severability.** If any provision in this Note is held by a court of law having appropriate jurisdiction to be in violation of any applicable local, state or federal ordinance, statute, law,

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administrative or judicial decision, or public policy, and if such court should declare such provision of this Note to be illegal, invalid, unlawful, void, voidable, or unenforceable as written, then such provision shall be given full force and effect to the fullest possible extent that is legal, valid and enforceable, and the remainder of this Note shall be construed as if such illegal, invalid, unlawful, void, voidable or unenforceable provision was not contained therein, and that the rights, obligations and interest of Borrower and the holder hereof under the remainder of this Note shall continue in full force and effect and shall not affect or invalidate the other provisions hereof or affect the validity or enforceability of such provision in any other jurisdiction that the rights, obligations and interests of Borrower and Lender under the remainder of this Note shall continue in full force and effect and to that extent, the provisions hereof are severable.

30. Lawful Interest. It being the intention of Lender and Borrower to comply with the applicable laws with regard to the interest charged hereunder, it is agreed that, notwithstanding any provision to the contrary in this Note or any Related Document, no such provision, including without limitation any provision of this Note providing for the payment of interest or other charges, shall require the payment or permit the collection of any amount ("**Excess Interest**") in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by this Note or by any extension or renewal hereof. If any Excess Interest is provided for, or is adjudicated to be provided for, in this Note or the Related Documents, then in such event:

- (a) the provisions of this Section 30 shall govern and control;
- (b) Borrower shall not be obligated to pay any Excess Interest;
- (c) any Excess Interest that Lender may have received hereunder shall, at the option of Lender, be (i) applied as a credit against the unpaid principal and/or interest due under this Note or accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the Borrower, or (iii) any combination of the foregoing;
- (d) the applicable interest rate or rates shall be automatically subject to reduction to the maximum lawful rate allowed to be contracted for in writing under the applicable governing usury laws, and this Note and the Related Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in such interest rate or rates; and
- (e) Borrower shall not have any action or remedy against Lender for any damages whatsoever or any defense to enforcement of the Note or arising out of the payment or collection of any Excess Interest.

31. Notice. Any notice, demand, request or other communication desired to be given or required pursuant to the terms hereof shall be in writing and shall be delivered by personal service or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight express courier, freight prepaid, addressed as follows or to such other address as the parties hereto may designate in writing from time to time:

Borrower: SALF 920, LLC, an Illinois limited liability company
 311 W. Walton
 Chicago, Illinois 60610

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Copy to: Brian Carey
Attorney at Law
1807 North Broadway
Melrose Park, Illinois 60160

Lender: Schaumburg Bank & Trust Company, N.A.
c/o Elk Grove Village Bank & Trust
1145 N. Arlington Heights Road
Itasca, Illinois 60143
Attn: Teresa A. Faidley

Copy to: Robinson Shapiro & Schwartz, LLC
208 South LaSalle Street, Suite 1750
Chicago, Illinois 60604
Attn: Donald A. Robinson

Any such notice, demand, request or other communication shall be deemed given when personally delivered or if mailed three days after deposit in the mail or if delivered by a nationally recognized overnight express courier, freight prepaid, the next business day after delivery to such courier.

32. Customer Identification-USA Patriot Act Notice. Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "Act"), and Lender's policies and practices, Lender is required to obtain, verify and record certain information and documentation that identifies Borrower, which information includes the name and address of Borrower and such other information that will allow Lender to identify Borrower in accordance with the Act.

33. Further Assurances. Borrower shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Lender all reasonable documents, and take all reasonable actions, reasonably required by Lender from time to time to confirm the rights created under this Note and the Related Documents, to protect and further the validity, priority and enforceability of this Note and the Related Documents, to subject to the Related Documents any property of Borrower intended by the terms of any one or more of the Related Documents to be encumbered by the Related Documents, or otherwise carry out the purposes of the Related Documents and the transactions contemplated hereunder or thereunder; provided, however, that no such further actions, assurances and confirmations shall increase, modify or change Borrower's obligations under this Note or under the Related Documents.

34. Headings. The various headings used in this Note as headings for sections or otherwise are for convenience and reference only and shall not be used in interpreting the text of the section in which they appear and shall not limit or otherwise affect the meanings thereof.

35. Entire Agreement. This Note and the Related Documents constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all such prior agreements and understandings, both written and oral. All such prior agreements and understandings not contained herein are terminated. This Note may not be modified, amended, waived, changed, discharged or terminated except by a written instrument signed by both Lender and Borrower. In the event of a conflict between the terms of this Note and any Related Document, the terms of this Note shall prevail.

35. Transfer of Indebtedness or Right to Performance of Obligations. Notwithstanding any assignment or transfer of portions of this Note, portions of the Related Documents or any indebtedness evidenced and/or secured by the Related Documents, all portions thereof, including those

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assigned or transferred, shall be and remain Borrower's obligations for the purposes of this Note, and each and every immediate and successive assignee, transferee or other successor in interest with respect to this Note and/or interest therein, to the extent of the interest so assigned or transferred, shall be entitled to the benefits of the Note and the Related Documents to the same extent as if such assignee or transferee were Lender; provided, however, that unless the assignor or transferor shall otherwise consent in writing, the assignor or transferor shall have an unimpaired right, prior and superior to that of its assignee or transferee to enforce this Note for its benefit as to such portions of the indebtedness evidenced and/or secured by the Related Documents therein not assigned or transferred or to rights to the performance of the Borrower's obligations not assigned or transferred.

36. **Participations, Syndications and Assignments.** Lender, at any time, and from time to time, shall have the right to sell, assign, transfer, negotiate or pledge the Note and the Related Documents, in whole or in part, and to grant participation interests in the Note and the Related Documents. Borrower hereby acknowledges and agrees that any such disposition shall give rise to a direct obligation of Borrower to each such assignee or participant. Lender is authorized, without any limitation whatsoever, to furnish to any actual or prospective assignee or participant any information or document that Lender may have or obtain regarding the Loan, the Note, the Related Documents, the Mortgaged Premises, Borrower, and/or Guarantor.

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be executed by its duly authorized representatives as of the day and year first above written.

SALF 920, LLC, an Illinois limited liability company

By: 
Fergus Rooney

By: 
Gabrielle Martinez

Being all of its Members

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EXHIBIT A

Monthly Principal and Interest Payments

<u>Date of Payment</u>	<u>Amount of Principal Payment</u>
_____	\$ _____

Property of Cook County Clerk's Office

COOK COUNTY
 DEPT. OF CLERK & RECORDS
 SCANNED BY _____

COOK COUNTY
 DEPT. OF CLERK & RECORDS
 SCANNED BY _____